

Message Text

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17

ACTION EA-10

INFO OCT-01 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-04 FRB-01 H-01 INR-05 INT-05 L-01 LAB-01 NSAE-00

NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15 STR-01

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 SWF-01

FEA-01 IO-04 /081 W

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R 060446Z NOV 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4444

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: ETRD, EIND, EMIN, GATT, JA, EALR, AS

SUBJ: TANAKA VISIT TO CANBERRA

1. SUMMARY: JAPANESE PRIME MINISTER TANAKA ARRIVED IN CANBERRA LATE OCTOBER 31 AND DEPARTED NOVEMBER 3 TO SPEND BALANCE OF AUSTRALIAN VISIT IN SYDNEY, PERTH AND THE NORTHWEST; AS EXPECTED, ECONOMIC SUBJECTS SEEM TO HAVE DOMINATED DISCUSSIONS. AUSTRALIANS APPARENTLY FAILED TO OBTAIN REASSURANCES ON TOPICS OF PRINCIPAL CONCERN TO THEM, I.E., REOPENING OF JAPANESE MARKETS TO AUSTRALIAN BEEF AND WOOL AND JAPANESE RESTRAINTS ON EXPORTS OF MOTOR VEHICLES TO AUSTRALIA. PRINCIPAL AUSTRALIAN PLUS WAS JAPANESE AGREEMENT IN PRINCIPLE TO JOINT STUDY OF POSSIBILITY OF URANIUM ENRICHMENT IN AUSTRALIA. JAPANESE SIDE ON OTHER HAND CAME AWAY WITH COMMITMENT FOR EXPANSION OF AUSTRALIAN COAL PRODUCTION TO MEET

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JAPAN'S REQUIREMENTS, CONFIRMATION OF CONTRACTS FOR SUPPLIES OF

AUSTRALIAN URANIUM, AND INDICATION THAT AUSTRALIAN GUIDELINES ON FOREIGN INVESTMENT IN MINING HAD BEEN SOFTENED FROM YEAR AGO. END SUMMARY.

2. IN JOINT WHITLAM-TANAKA PRESS STATEMENT ISSUED NOVEMBER 2 ONLY REFERENCE TO AUSTRALIAN PREOCCUPATIONS--BEEF, WOOL, SUGAR AND MOTOR VEHICLES -- WAS COMMENT THAT THESE WERE AMONG ISSUES OF CURRENT IMPORTANCE DISCUSSED, ALONG WITH CONDITIONS AND "STABILITY" OF TRADE BETWEEN THE TWO COUNTRIES. ON JAPANESE AUTOMOBILE EXPORTS TO AUSTRALIA, PRESS FEATURED REPORT THAT AUSTRALIANS HAD REQUESTED TOYOTA AND NISSAN TO CONSIDER PRODUCTION IN SOUTH AUSTRALIA, SPECIFICALLY AT CHRYSLER ADELAIDE, WEAKEST OF REMAINING BIG THREE PRODUCERS IN AUSTRALIA. THERE WAS NO REFERENCE TO THIS IN OFFICIAL RELEASES. CHRYSLER HAS ATTACKED REPORTS OF THE PLAN AS "MISLEADING AND IRRESPONSIBLE", DENYING THAT ANY PART OF CHRYSLER OPERATIONS WOULD BE TAKEN OVER AND POINTING OUT THAT IT HAD ALREADY PUBLICLY EXPRESSED WILLINGNESS TO PRODUCE FOUR-CYLINDER ENGINES JOINTLY WITH JAPANESE AT ADELAIDE PLANT. AS FAR AS WE CAN DETERMINE, JAPANESE HAVE ONLY AGREED TO CONSIDER IDEA, THOUGH THEY WILL BE SENDING TECHNICAL GROUPS TO AUSTRALIA IN NEXT FEW MONTHS.

3. JOINT STATEMENT WAS NOTABLY MORE PRECISE ON SUBJECT OF SPECIAL JAPANESE INTEREST: ENERGY SUPPLIES. IT EXPLICITLY NOTED WHITLAM'S REAFFIRMATION OF ASSURANCES OF "AUSTRALIA'S INTENTION TO PLAN PROGRESSIVE EXPANSION OF COAL PRODUCTION TO MEET JAPAN'S REQUIREMENTS" AS DESCRIBED BY TANAKA. SUPPLY TO JAPAN OF 9,000 SHORT TONS OF AUSTRALIAN URANIUM PREVIOUSLY CONTRACTED FOR WAS ALSO CONFIRMED. FINALLY THE TWO PMS AGREED THAT JOINT STUDIES SHOULD BEGIN ON COAL HYDROGENATION AND ON FEASIBILITY OF PROJECTED PLANT FOR ENRICHMENT OF URANIUM IN AUSTRALIA FOR SUPPLY TO JAPAN.

4. OTHER ECONOMIC SUBJECTS TOUCHED UPON (IN RATHER PLATITUDINOUS FASHION) WERE:

- A. INTERNATIONAL COOPERATION ON INFLATION PROBLEM, RAW MATERIALS SUPPLY, FOOD AND ENERGY;
- B. AVOIDANCE OF UNILATERAL CURRENT ACCOUNT MEASURES IN THE SPIRIT OF THE MAY DECLARATION BY OECD MEMBER COUNTRIES;
- C. NEED TO PROCEED WITH MULTILATERAL TRADE NEGOTIATIONS (MTN); LIMITED OFFICIAL USE

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AND

- D. NEED FOR "URGENT AND SYMPATHETIC CONSIDERATION" OF DEVELOPING COUNTRY PROBLEMS.

5. ON NON-ECONOMIC SIDE STATEMENT ANNOUNCED SIGNATURE OF CULTURAL AGREEMENT BETWEEN THE TWO COUNTRIES AND THE INTENTION OF EACH SIDE TO MAKE MATCHING EXPENDITURES OF APPROXIMATELY \$A ONE MILLION EACH TO SUPPORT AGREEMENT.

6. EMBASSY COMMENT: EMBASSY'S CONTACTS IN OVERSEAS TRADE AND FOREIGN AFFAIRS HAVE BEEN GENERALLY UNCOMMUNICATIVE, NOT BECAUSE OF UNUSUAL DESIRE TO HOLD INFORMATION BUT BECAUSE VISIT PRODUCED LITTLE REALLY WORTHY OF COMMENT. SUCH OFFICIAL DISCUSSION AS TOOK PLACE -- ASIDE FROM JOINT PRESS STATEMENT DRAFTING GROUP WHERE JAPANESE WERE DESCRIBED AS PARTICULARLY "LITIGIOUS" -- WERE AT THE MINISTERIAL LEVEL. EVEN THESE, ACCORDING TO ONE INFORMANT, OCCUPIED NO MORE THAN TWO-AND-ONE-HALF HOURS TOTAL. ALLOWING FOR INTRODUCTIONS, OTHER FORMALITIES AND INTER- PRETATION, SUBSTANTIVE DISCUSSIONS PROBABLY OCCUPIED NO MORE THAN ONE HOUR. WE SHARE VIEW OF ONE OFFICIAL WHO REMARKED THAT SIGNIFICANCE OF VISIT WAS MAINLY THAT IT PRECIPITATED BY WAY OF AUSTRALIAN POLICY CLARIFICATIONS (URANIUM, FOREIGN INVESTMENT), RATHER THAN WHAT IT MAY HAVE PRODUCED IN BI-LATERAL RELATIONS CONTEXT.

7. SEPTELS WILL COVER (A) POLITICAL ASPECTS OF VISIT; (B) GUIDELINES ON FOREIGN INVESTMENT IN MINERALS INDUSTRY; (C) URANIUM ENRICHMENT PROPOSAL; AND (D) URANIUM SUPPLIES. TEXT OF JOINT PRESS STATEMENT, OTHER OFFICIAL RELEASES AS AVAILABLE WILL BE POUCHED.
GREEN

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